

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1353289-0

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: April 19, 1962

FROM : A. Rosen

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

ASAC Clark of the Dallas Office advised that he had received a call from the Neiman-Marcus Store in Dallas who reported that it had received a long distance telephone call from [redacted] Scripts-
Howard newspaper chain, Washington telephone, DI 7-7750. DC

[redacted] informed Neiman-Marcus that he understood the FBI was going ^{through} their records to see if any sales slips were made out to Orville Freeman. He was informed that Neiman-Marcus records had been subpoenaed by the Texas State Attorney General. If any other information was desired [redacted] should call the [redacted] Neiman-Marcus [redacted] Up to this point [redacted] has not been contacted.

In the event that [redacted] ^{TEX.} contacts [redacted] he will state that the FBI has been making no inquiry regarding sales slips to Orville Freeman and that any information concerning any FBI investigation would have to be obtained from the FBI.

Insofar as our investigation of the Estes case at Neiman-Marcus is concerned ASAC Clark advised that all investigation at Neiman-Marcus has been completed.

1 - Mr. DeLoach

1 - Mr. Evans

WBW:jlt

(8)

EX-107

REC-42

29-28704-71

APR 20 1962

67 APR 20 1962

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Mohr

DATE: April 18, 1962

FROM : C. D. DE LOACH

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

Tolson	
Belmont	
Mohr	
Callahan	
Conrad	
DeLoach	
Evans	
Malone	
Rosen	
Sullivan	
Tavel	
Trotter	
Tele. Room	
Holmes	
Gandy	

I talked with Walter Jenkins, Executive Assistant to the Vice President, at 4:15 p.m. today in connection with captioned matter. I told him that with respect to this investigation, an allegation had been received that subject Estes on one occasion had given the Vice President a twin engine plane. It was indicated this plane was later involved in a crash which killed the pilot and co-pilot.

MRS. LYNDON B. JOHNSON

I also told Jenkins that the second matter to be discussed with him did not concern an allegation or criticism of Mrs. Lady Bird Johnson, however, the Director wanted the Vice President to know that in connection with this investigation a statement had been made by one source reflecting that at one time Commercial Solvent Company had gotten into serious financial trouble and was "bailed out" by Mrs. Johnson.

Due to the Vice President's unavailability, Jenkins told me he could handle this matter without any difficulty whatsoever; however, he would telephonically contact the Vice President and advise him of the matter without delay. He stated that for the record the Vice President hardly knew Estes. He possibly met him at a State Democratic Convention in Texas on one occasion, however, had never known him at all until January, 1962, when Estes came to Washington to attend a Democratic dinner. Jenkins mentioned that the twin engine plane in question cost approximately \$225,000. and was ordered and paid for by the then Senator Johnson. He stated that as a matter of fact the insurance moneys received as a result of the fatal crash allowed the Vice President to complete total payments for the plane. Jenkins made it quite clear that Vice President Johnson had not known Estes at the time the plane was purchased, furthermore, that Mrs. Johnson had never heard of the Commercial Solvent Company and, as a matter of fact, only knew Estes through reading about him in the newspapers.

LYNDON B. JOHNSON

REC-42

- 1 - Mr. Belmont
- 1 - Mr. Rosen
- 1 - Mr. Evans
- 1 - Mr. Jones

CDD:saks
(6)

5-1 APR 26 1962

EXHIBIT

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RECEIVED DIRECTOR

CRIME RESEARCH

89-28704-172

APR 20 1962

DeLoach to Mohr 4-18-62
Re: Billie Sol Estes, ITSP

Jenkins stated that the Vice President on one occasion had sent Estes an autographed photograph at Estes' specific request. Jenkins mentioned that no importance should be attached to this fact inasmuch as the Vice President sends out 50 autographed photographs per day and, as a matter of fact, sends them out to anyone who asks for one.

ACTION:

It is suggested this memorandum be forwarded to the General Investigative Division for information.

ADDENDUM:(CDD:sak):4-18-62:

Jenkins called for me again at 5:00 p. m. and stated he and the Vice President would like to see me at 6:00 p. m. today. He mentioned that the above facts are absolutely true, however, he would like to talk to me for a few minutes. I will see him at 6:00 p. m. today in his office.

AN 4/18 V

The Attorney General

April 20, 1962

Director, FBI

**BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY**

This is to advise that the information concerning Secretary of Agriculture Freeman was furnished to this Bureau by [redacted] Texas. [redacted] was also the individual who furnished the original information concerning the activities of Billie Sol Estes, for which he was subsequently indicted along with three other individuals.

No investigation was conducted concerning the allegations concerning Secretary of Agriculture Freeman made by [redacted] and during our investigation into the activities of Estes no additional information concerning the Freeman allegation has been received.

We have maintained contact with our original informant and on April 19, 1962, he advised that there was no indication to his knowledge that these allegations were widely known. At the same time he indicated when queried on another matter that the information concerning the sales ticket allegedly relating to Orville Freeman would well be a "confusion on someone's part" and that he would not be surprised if when all the facts are in the alleged transaction pertained to Jacobs or some other Department of Agriculture employee. Jacobs, to whom he referred, is Emery E. Jacobs, who resigned from the Department of Agriculture on April 12, 1962.

In the afternoon of April 19, 1962, our Dallas Office was advised that the Neiman-Marcus Store in Dallas, Texas, had received a long distance telephone call from an individual identifying himself as [redacted] Scripps-Howard newspaper in Washington, D. C., indicating he had information that the FBI was going over Neiman-Marcus records for a sales slip to Orville Freeman. Neiman-Marcus told [redacted] that their records had been subpoenaed by the State Attorney General's Office of Texas and they could give no further

1 - Mr. DeLoach

1 - Mr. Evans

1 - Mr. Mohr

WBW:lge (44)

MAIL ROOM

TELETYPE UNIT

APR 25 1962

Tolson
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

MAILED 2

APR 20 1962

EX-11

REC-6

29-28704-73

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The Attorney General

information and that if [redacted] wanted more information he would have to contact their [redacted] Neiman-Marcus planned that if [redacted] contacted [redacted] would tell him that the FBI has been making no inquiries regarding any sales slips for Mr. Freeman. We have conducted no investigation concerning the Freeman allegation and have made no comment regarding this. In the event the FBI does make inquiries, the story will inevitably spread.

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Any further information concerning this matter that comes to our attention will be immediately brought to the attention of your office.

1 - The Deputy Attorney General

**1 - Mr. Herbert J. Miller, Jr.
Assistant Attorney General**

4/20/62

Airtel

To: SAC, El Paso

From: Director, FBI (29-8242)

BILLIE SOL ESTES, ET AL.
ITSP; MF; CONSPIRACY

There are attached hereto copies of FD-302's prepared as a result of interviews by the Bureau. The originals are being maintained in Bureau files.

Enclosures

TWC:ejf
(4)

REC-71
EX-113

29-28704-74

14 APR 23 1962
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MAILED 25
APR 20 1962
COMM-FBI

APR 20 1962
MAIL ROOM ☒ TELETYPE UNIT ☐

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Belmont _____
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Conrad _____
DeLoach _____
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Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

REC-42

The Attorney General

April 23, 1962

29-28704-75

Director, FBI

1 - Mr. Belmont
1 - Mr. Rosen
1 - Mr. Malley
1 - Mr. Welte
1 - Mr. Curran

**BILLIE SOL ESTES
INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY - BRIBERY**

I thought you would be interested in the current developments in the Estes matter regarding the allegations that Estes received special treatment within the Department of Agriculture.

REC'D-READING ROOM
FBI

[redacted] Agricultural Stabilization and Conservation Service, Pecos, Texas, in a sworn statement denied receiving gifts or other consideration in connection with official business and stated he did not give Estes or his relatives special favors. [redacted] admitted receiving a ham from Estes the past two Christmases and hunting on the farm of Estes' brother.

[redacted] Estes, advised on April 20 that on instructions from Estes on March 29, 1962, he carried a suitcase weighing approximately thirty pounds from Pecos, Texas, and a small plastic bag containing currency from Plainview, Texas, to Estes [redacted] Texas. A search warrant was executed [redacted]

[redacted] Texas, on April 21; however, these items were not located.

[redacted] our original source of information, has stated he would willingly incorporate any and all information in a signed statement sworn to and notarized if necessary and would willingly testify in court to all information furnished.

Records Neiman-Marcus, Dallas, reflect: [redacted]

[redacted] prepared a cash sale ticket October 25, 1961, for whistles, balls and ties totaling \$120.00. These articles were sent to [redacted] D. C. [redacted]

[redacted] Emory E. Jacobs, former Deputy Administrator of Agricultural Stabilization and Conservation Service.

1 - The Deputy Attorney General

1 - Mr. Herbert J. Miller, Jr.
Assistant Attorney General

1 - Mr. DeLoach
1 - Mr. [redacted]

334
MAY 1 1962
(12)

TELETYPE UNIT ☐

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MAILED 30

APR 23 1962

COMM-FBI

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334
MAY 1 1962
(12)

The Attorney General

In Texas Attorney General Wilson's Court of Inquiry, Dallas, April 30, 1962, Frank Cain, Attorney for Pacific Finance Company (one of the victim companies in Huten scheme), testified that Huten told him payoffs for keeping grain storage facilities full cost him from \$100,000 to \$200,000 a year. Huten reportedly made this statement after receiving a telephone call from a man identified by him as [redacted] Cain quoted Huten as saying, "He really gets the job done on Appropriations and Agricultural Programs" [redacted] (Mississippi). Cain also testified that Huten on hearing FBI looking into his affairs stated he could stop it and that he would "get Lyndon Johnson on the phone." Two days before Hutens was arrested he assured Cain the investigation was stopped.

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Investigation in this case is continuing.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: April 21, 1962

FROM : A. Rosen

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY - BRIBERY

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Belmont _____
Mohr _____
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Tele. Room _____
Holmes _____
Gandy _____

This is to advise of further developments in captioned case which originally involved a multimillion dollar swindle based on the mortgaging of non-existent fertilizer tanks. This phase of the investigation has resulted in the arrest and indictment of Estes and three of his associates. The investigation has been broadened to inquire into the possible bribery of Government Officials.

[redacted] Agricultural Stabilization and Conservation Service (ASCS) Pecos, Texas, in sworn statement denied receiving gifts or other consideration in connection with official business and stated did not give Estes or his relatives special favors.

[redacted] admitted receiving a ham from Estes past two Christmases and hunting on farm of Estes [redacted] stated to his knowledge [redacted] U. S. Department of Agriculture (USDA) have each been to Pecos on one occasion and entertained in Estes' home.

[redacted] Estes, advised on instructions from Estes he carried suitcase weighing about thirty pounds from Pecos and a small plastic zipper bag containing currency to Abilene and gave suitcase and plastic bag to Estes [redacted]

[redacted] our original source of information which when checked out resulted in the arrest and indictment of Estes and his associates, stated he would willingly incorporate any and all information in signed statement sworn to and notarized if necessary. [redacted] stated he would also be willing to testify in court to all information furnished if desired.

1 - Mr. Evans

1 - Mr. DeLoach

GEB:mrp
(8)

CC MR. TOLSON

SIX

Let to AG
4-23-62
GEB:mrp

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Memorandum to Mr. Belmont
RE: BILLIE SOL ESTES

In Texas Attorney General Wilson's Court of Inquiry, Dallas, 4-20-62, Frank Cain, Attorney for Pacific Finance Company (one of the victim companies in Estes scheme) testified that Estes told him payoffs for keeping grain storage facilities full cost him from \$100,000 to \$200,000 a year. Estes reportedly made this statement after receiving a telephone call from a man identified by him as [redacted] Cain quoted Estes as saying, "He really gets the job done on Appropriations and Agricultural Programs" [redacted] Democrat, Mississippi). Cain also testified that Estes on hearing FBI looking into his affairs stated he could stop it and that he would "get Lyndon Johnson on the phone." Two days before Estes was arrested he assured Cain the investigation was stopped.

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Records Neiman-Marcus, Dallas, reflects [redacted] prepared a cash sale ticket 10-25-61 for shirts, belts and ties totaling \$190.90. These articles were sent to [redacted] D. C. [redacted] Emery E. Jacobs, former Deputy Administrator of ASCS.

An early news release today quoted Attorney General Wilson of Texas as stating he had enough information now to secure an indictment against Estes.

ACTION

This case will continue to be handled with the highest priority in all offices involved.

R
WBL
Kerac
Send memo to A.G.
K

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Mohr

DATE: 4-19-62

FROM : C. D. DeLoach

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

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Belmont	
Mohr	
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Tele. Room	
Holmes	
Gandy	

For record purposes, at 1 p. m. today, [redacted] Scripps-Howard Newspaper Chain told Wick that for the past three days he had attempted to obtain an interview with Orville Freeman, Secretary of Agriculture, relative to the dismissal by the latter Department of [redacted] Emery E. Jacobs. [redacted] said he did not know when he would have an interview with Freeman but hoped to see him today.

[redacted] who is very friendly, told Wick that he has received rumors that Orville Freeman is considerably involved in captioned matter. He said his papers picked up a rumor "in Texas" that Freeman also received gifts of clothing from Billie Sol Estes. He said he thought the gifts were purchased at Neiman-Marcus Department Store in Dallas, Texas.

[redacted] said he understood that the FBI, based on a press statement made by Department of Agriculture people, was investigating irregularities and receipt of gifts on the part of Department of Agriculture officials, and that he did not expect us to comment. Wick told him this was correct and we made no comment whatsoever. He asked if we would be interested, however, in being advised confidentially of the results of [redacted] interview with Orville Freeman. Wick told him that we would, on a confidential basis, accept anything [redacted] had to say.

DEVELOPMENT:

At 4:30 p. m. today, [redacted] telephoned Wick stating he had shortly before had a 15-minute interview with Secretary of Agriculture Orville Freeman. [redacted] said he discussed generally the ousting of the two Agriculture Department employees, [redacted] Jacobs, which Freeman discussed with some reluctance.

1 - Mr. Belmont
1 - Mr. Rosen
1 - Mr. Evans
1 - Mr. Jones
REW/ECK:ear
(7)

REC-57

29-28704-76
16 APR 24 1962XEROX
APR 24 1962

CRIME RESEARCH

67 APR 26 1962

DeLoach to Mohr

Re: BILLIE SOL ESTES

INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

[] said Secretary Freeman told him he was of the belief irregularities on the part of these two men were in the categories of "indiscretions" rather than criminal acts. [] said he then asked whether he (Freeman) himself had ever received any suits or clothes from Billie Sol Estes and Freeman said he had not, that he had met Billie Sol Estes but one time and that was on the occasion when Estes and the latter's lawyer came to Freeman's office some time ago.

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Freeman went on to say to [] according to the latter, that he (Freeman) had also heard rumors to the effect that he (Freeman) was involved in the acceptance of gifts but it seemed to him the matter was wholly political and prompted by his or the administration's political enemies.

[] said this is about all the Secretary had to say except that Secretary Freeman was very nervous during the interview, that he denied any guilt ~~and~~ three times and that he asked [] whether the latter intended to print anything.

[] told Wick he did not believe anything would be printed until substantiation was received.

[] told Wick that, of course, the Scripps-Howard Papers could not use any involvement of Freeman's without substantiation but that he was in touch with his Texas sources in connection with a Board of Inquiry proceedings in Texas wherein it was thought there might be some mention of Freeman which would thus permit the papers to bring the matter into the open. [] said, however, this was mere conjecture, that the Board of Inquiry matter was being followed closely.

At 6:10 p.m. today, ASAC Clark, Dallas, called and stated that at 4:35 Central Standard Time [] had called an official at Neiman-Marcus and asked if the FBI was examining the sales slips in connection with Freeman.

The Department Store official replied that Attorney General Wilson of Texas had subpoenaed all the records and that any further information would come from a Neiman-Marcus []

DeLoach to Mohr

Re: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

[redacted] said he would call back within the hour. The public relations man is going to tell [redacted] if and when he calls back that no inquiry was being made of sales slips of Secretary Freeman and that any information concerning the matter would have to be obtained from the FBI.

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Clark said that if they should receive any inquiries from any source whatsoever they would maintain a rigid "no comment" policy.

We will, of course, here make no comment to any inquiries received. This is the policy we have followed since the case came to our attention.

Handwritten: meticulously follow this
here & in the field.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 4/18/62

FROM : SAC, EL PASO (87-new) (RUC)

SUBJECT: BILLIE SOL ESTES
ITSP - MF

REC-30

On 4/11/62 [redacted]
Nashville Tennessee, residence [redacted]
[redacted] Tennessee, telephone number [redacted]
appeared at the El Paso Office, accompanied by the
Honorable ERNEST MORGAN, U. S. Attorney, Western District
of Texas.

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[redacted] advised that he had been referred to Mr.
MORGAN by the Department of Justice inasmuch as he had some
information pertaining to BILLIE SOL ESTES.

[redacted] stated that in 1958 he had started to
check into the activity of BILLIE SOL ESTES in connection
with ESTES having been appointed as expediter for raising funds
to support and operate the Nashville Christian Institute,
commonly known as the NCI. He advised that the NCI is a
small Church of Christ operated high school which also has
a one year junior college course (unaccredited) and is a
boarding school for Negroes. [redacted] advised that the
NCI had been started by Mr. A. M. BURTON, Chairman of the
Board Emeritus of the Life and Casualty Insurance Company
of Nashville, Tennessee.

[redacted] advised that he knew that BURTON had
given a block of stock of the Life and Casualty Insurance
Company, worth \$400,000 to [redacted]. He advised that he had
been informed that BILLIE SOL ESTES, in his capacity as
expediter, had talked BURTON or the NCI into converting an
unknown amount of the \$400,000 block of stock into other
securities.

- 2 - Bureau
- 1 - Memphis (Info)
- 2 - El Paso (1 - 29-351)

50 MAY 17 1962

(4)

67 MAY 1 - 1962

REC-91
GENERAL INVESTIGATIVE
DIVISION

29-28704 77

5 APR 25 1962

W
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EP 87-new

[] advised that BURTON is behind BILLIE SOL ESTES 100 per cent and believes that he is one of the greatest young men of the century, and consequently when he, [] attempted to check into the activity of ESTES, he had "run into a stone wall."

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b7C

[] stated that he had, through other newspapers, ascertained that ESTES, in 1958, was very highly regarded in his home area of West Texas. He advised that while investigating ESTES' activities his newspaper's attorney had been contacted by Mr. BURTON's attorney advising that should his newspaper print anything derogatory regarding ESTES that they would be leaving themselves open to a libel suit.

[] advised that he recently contacted the [] NCI, [] and had been informed by [] that he was of the opinion that only 25% of the funds obtained for the NCI had ever been sent to the school.

[] stated that BILLIE SOL ESTES, through the Church of Christ, had solicited contributions from members of congregations of various Church of Christ groups and made available a copy of the Southwestern Christian Advocate, which is Volume 2, Number 3, dated June, 1958, at Midland, Texas, which lists the April contributions for the NCI and which totals \$248.95.

[] advised that ESTES also directed the Texas operations for two Nashville based Negro evangelists who were sent to West Texas to set up schools and churches. He advised that one of these Negro evangelists was [] who went to Texas and worked at organizing churches and made evangelistic tours.

EP 87-new

[redacted] further stated that ROBERT S. CLEMENT, father of FRANK CLEMENT, former Governor of Tennessee, was a close associate of ESTES.

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[redacted] stated that he had not been able to obtain any more pertinent information since his initial investigation in 1958 had been blocked due to the fact that ESTES enjoyed a good reputation. He further advised that he was presently involved in a special edition of his newspaper for the 150th anniversary of Tennessee and consequently would be unavailable for interview prior to 4/29/62.

The above information is being furnished to the Bureau for their information and for any action the Bureau may wish to take in this matter. It is not being consolidated in the file entitled "BILLIE SOL ESTES; ET AL, ITSP - MF; CONSPIRACY, OO El Paso, EP 29-351, Bufile 29-28704" inasmuch as it does not appear to have any bearing on the El Paso investigation and further inasmuch as the allegations are non-specific in nature.

An information copy is being furnished the Memphis Office in the event that the Bureau desires any investigation on the part of the Memphis Office in this matter.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 4/18/62

FROM : SAC, EL PASO (147-new) (RUC)

SUBJECT: BILLIE SOL ESTES;
ROBERT S. CLEMENT;

[redacted]
Nashville, Tennessee
FHAM; VAM

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On 4/11/62 [redacted]
Nashville Tennessean, residence [redacted]
[redacted] Tennessee, telephone number [redacted]
appeared at the El Paso Office, accompanied by the Honorable
ERNEST MORGAN, U. S. Attorney, Western District of Texas.

[redacted] advised that he had been referred to Mr.
MORGAN by the Department of Justice inasmuch as he had some
information pertaining to BILLIE SOL ESTES.

[redacted] advised that around 1956 BILLIE SOL ESTES
put in a bid for scrap housing at the Air Base in Blytheville,
Arkansas, using another party to submit the bid for him.
He stated that ESTES, through this other party whose name
he did not recall, submitted the successful bid and obtained
approximately 50 or 60 of the scrap housing units which were
subsequently cut into two or more sections. He advised that
ESTES was in partnership with [redacted] Nashville,
Tennessee and ROBERT S. CLEMENT, father of FRANK CLEMENT,
former Governor of Tennessee in this project. [redacted]

[redacted] Home Improvement
Company, but that this company was not a chartered corporation
and had never filed as such, being a corporation in name only.

[redacted] advised that ESTES, the [redacted]
and CLEMENT bought a strip of poor, unimproved land just
outside of Blytheville, Arkansas, and made some makeshift
roads and deep ditches, which had to be crossed on small
bridges, in an effort to give the property some semblance

② Bureau 1 - Memphis (Info)
1 - Dallas (Info) 1 - Little Rock (Info)
1 - Houston (Info) 1 - El Paso (Info)

XEROX EJm/jcs

(7)

29-28704-
NOT RECORDED
126 MAY 15 1962

67 MAY 16 1962

ORIGINAL FILED IN 147-9442-1

EP 147-new

of a sub-division. He stated that they then moved the cut-up housing units on to this property and after making some minor improvements, such as fixing the roofs and adding a wall where the unit had been cut, proceeded to sell these units as individual homes. He stated that they had managed to finance three of the units through FHA before FHA refused any further financing. He advised that they then financed these "homes" with conventional financing and he understood that someone in Texas purchased some of the first mortgages under this conventional financing. He stated that ESTES got into trouble with the planning authorities in Blytheville and resorted to hauling the units to the "sub-division" on house moving equipment after midnight and without any lights, in complete violation of state laws.

He advised that on 11/28/56 one of ESTES [REDACTED]

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[REDACTED]
[REDACTED] been investigated by Arkansas State Trooper [REDACTED]. He stated that the widow of the man who was killed settled for \$3,000 payment after ESTES prayed with her for two days and converted her to the Church of Christ. She received the settlement in the form of a check from the Service Insurance Company of New York, but he stated that ESTES paid the insurance company the \$3,000 to make the payment since the insurance company had disclaimed liability due to ESTES' violation of the law in his method of moving the houses. He further advised that the hauler on the job was Burchard and Poteet Trucking Company of Pecos, Texas, a subsidiary of BILLIE SOL ESTES.

[REDACTED] stated that some of the mortgages obtained on the aforementioned housing deal were sold to [REDACTED] and to CLEMENT and at least one had been given as a gift by ESTES, in the form of an endowment to the Montgomery Bell Academy in Nashville, Tennessee. He advised that this gift was an empty gesture inasmuch as the mortgages on the property were worthless, due to the condition of the property.

EP 147-new.

[] stated that due to the recommendation by ESTES, the Batavia Corporation of Nashville, Tennessee, a holding company, had been named as holding company for the Nashville Christian Institute (NCI) even though there was no earthly reason for using a holding company for the NCI.

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For the information of Dallas, Houston, and Little Rock, the Nashville Christian Institute is an all Negro boarding school encompassing high school and one year of junior college (unaccredited) and which is sponsored by the Church of Christ.

[] advised that on 11/24/56 some of the mortgages on the Blytheville housing deal, which he stated are worthless, had been transferred to the Batavia Corporation as holding company for the NCI and some had been transferred directly to the NCI. He advised that he was of the opinion that these mortgages were transferred in return for cash collected for the NCI, of which ESTES had full control, and these mortgages were supposedly investments.

He stated that ESTES had also managed to bid successfully on government surplus buildings in about 25 different towns scattered through the south and southwest area of the United States. He stated that one of the other locations was in Orage, Texas, where ESTES, under the name of the Sabine Surplus Company, had successfully bid on disposing of 44 multi-family dwelling units in what was known as the West Navy Housing Project and was known in Washington, D. C. as TEX 41595. He stated that the bid had been submitted to the Public Housing Administration in July, 1953. [] made available a copy of a letter dated at Orange, Texas, June 12, 1958, to "JOHN" signed "JCB" in which this information is set out. The aforementioned letter states further that the writer would not have "given 15 cents for the whole shebang" but that two bids were received from out of town people, one for \$23,148 and one from []

[] Texas, for \$33,922. It continues

EP 147-new

that as soon as [] was notified that he was the successful bidder, ESTES then identified himself as being the actual bidder stating that [] was one of his employees, and then organized the Sabine Salvage Company and started disposing of the buildings. Some of the buildings were sold on an "as is" basis and others divided into sections, renovated, and sold as small homes.

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The letter states that the contract between ESTES and the Public Housing Administration provided that all buildings were to be removed from the site within 180 days otherwise all right and title to the remaining buildings would revert to the government and Public Housing Administration could move in, finish the job and charge ESTES with the cost. The letter sets out that ESTES won two or three extensions of the time limit and actually took two or three months longer than the 180 days to clear the site. ESTES rented a piece of ground outside of Orange, Texas, moved the remaining buildings there and continued the renovation and selling program and as of the date of the letter, June 12, 1958, some of the structures were still unsold and Sabine Salvage is still in business there.

The letter sets out that the Sabine Salvage Company never filed an assumed name certificate, as the law requires in the event that it was a partnership, but added that the company may have been incorporated and if so the names of the incorporators should be on file in the office of the Secretary of State, Austin, Texas. The letter sets out that the writer had been told that some doctor in Pecos, Texas, had a piece of the company and that ESTES' father may also have been involved. The letter sets out that the [] who now operates the Sabine House Movers.

The letter further sets out that MARSHALL W. AMIS was director of the Public Housing Administration, Fort Worth Regional Office, during World War II and soon afterwards was made head of the agency's legal staff in Washington, D. C., but had been downgraded to his old job after the EISENHOWER administration took over.

EP 147-new

stated that he was of the opinion that MARSHALL W. AMIS had made an investigation on the Orange, Texas matter.

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The above information is being furnished to the Bureau of their information and for any action the Bureau may wish to take in this matter. It is not being consolidated in the file entitled "BILLIE SOL ESTES; ET AL, ITSP - MF; CONSPIRACY, OO El Paso, EP 29-351, Bufile 29-28704" inasmuch as it does not appear to have any bearing on the El Paso investigation and further inasmuch as the allegations are non-specific in nature.

An information copy is being furnished the Dallas, Houston, Little Rock, and Memphis offices in the event that the Bureau desires any investigation on the part of these offices in this matter.

GENERAL INVESTIGATION DIVISION

This case involves a multimillion dollar fraud perpetrated through mortgaging nonexistent anhydrous ammonia (fertilizer) tanks. Estes, the principal subject, allegedly is personally acquainted with Government officials.

Incoming states that Department of Agriculture is investigating gratuities allegedly given to Department of Agriculture personnel.

United States Department of Agriculture being contacted concerning their investigation.

CBs

April 18, 1962

Airtel

To: SAC, Dallas (29-1096)
From: Director, FBI (29-28704) — 80

BILLIE SOL ESTES; REG-34
ET AL.
ITSP - MF; CONSPIRACY
OO: EL PASO

Re Dallas airtel 4/16/62.

There are being returned herewith three copies of each of the letterhead memoranda forwarded with reairtel. It is noted that the anonymous letter makes certain allegations concerning the business practices of Estes, including an allegation of grain elevators that do not exist. It is felt that Dallas should handle all leads which may be of assistance to the Bureau case and then make dissemination locally as a matter of cooperation with local IRS authorities.

With reference to the fact that Estes has been bribing employees such as [redacted] of the CIT Corporation, it is felt that the facts should be discussed with the U. S. Attorney to determine if any violation exists. Thereafter, Dallas should again make required dissemination locally.

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Enclosures (6)

2 - El Paso

TWC:ejf *ep*
(6)



Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

67 APR 26 1962

FBI

Date: 4/16/62

Transmit the following in PLAIN TEXT
(Type in plain text or code)

Via AIRTEL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, DALLAS (29-1096)(P)

SUBJECT: BILLIE SOL ESTES;
ET AL
ITSP - MF; CONSPIRACY

CO - EL PASO

Enclosed to the Bureau are the original and five copies of a letterhead memorandum relating to an anonymous letter received by the Dallas Office which, it is felt, the Bureau may desire to disseminate to Internal Revenue Service and the U. S. Department of Agriculture in view of the comments contained therein.

Also enclosed for the Bureau are the original and three copies of a second letterhead memorandum pertaining to one [redacted] Dallas, Texas, for referral to Internal Revenue Service.

One copy each of the above letterhead memoranda is enclosed for the El Paso Office.

Investigation relative to comments contained in the anonymous letter is left to discretion of the El Paso Office.

LYNUM

3 - Bureau (Enc. 10)
2 - El Paso (Enc. 10) (29-351)
2 - Dallas (Enc. 10)
RCE:pm
(7)

REC-91

02 DEPT OF JUSTICE

10 APR 17 1962

Approved: _____
Special Agent in Charge

Sent: _____ M



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Dallas, Texas
April 16, 1962

In Reply, Please Refer to
File No.

RE: BILLIE SOL ESTES,
Pecos, Texas;

[redacted]
[redacted] Texas;

[redacted]
[redacted] Texas;

[redacted]
[redacted] Texas

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The Dallas, Texas, Office of the Federal Bureau of Investigation received the following typewritten anonymous letter postmarked at Pecos, Texas, 7 p.m., April 7, 1962, containing allegations of possible tax evasion and other malpractices on the part of captioned individuals:

"Dear Sirs:

"Please do not divulge the manner in which you received this information. It would cause suspension on me immediately and cause a lot of family trouble.

"When the Billy Sol Estes scoundrel was discovered I do not understand why his [redacted]

[redacted] Texas and [redacted] Texas were not brought into the revelation also. They are not only implicated in the tank fraud, they are grain elevator partners, ranch partners (New Mexico) and in many other partnerships. Tho these may be set up in such a way that the true facts are hidden. I do know that [redacted] Estes are [redacted]

[redacted] Texas. [redacted] Estes are [redacted] Texas.

"No one could expand and spend the money these men do and pay their rightful income tax. Tho [redacted]

[redacted] I am sure he has been quiet busy the last few weeks juggling [redacted] books. In fact I have seen him there (along with [redacted]) an unreasonable number of times since this Estes news broke.

29-28701-80

ENCLOSURE

"If you will check closely you will find both [redacted] [redacted] have implicated themselves much more deeply than in obtaining money fraudently in tanks. Check your records for loans for buisness or elevetars that do not exist. These three men, Estes, [redacted] in many things. [redacted] is smarter, in evading the law and in 'shady' deals than any of the men connected with the tank scandal, having spent many years in arrests, boot-legging, car stealing, bank robbing (tho thro fraudelent evidence on his whereabouts at the time of the robbery he managed to get out of this without a jail sentence) and many other things too numerous to mention. [redacted] has served a prison term in Oklahoma. All of these ventures have been very profitable, financially to [redacted]. He has acquired many hundred of acres of good farm land, some of which he acquired lately, the cotton allotment on the land he just bought has been moved to his Coyanosa farm. One of the A.S.C. Board members (Reeves County) [redacted] has rented this farm this year. Since [redacted] is not the type of person to rent any thing that might mean money to him I susspect [redacted] Did some under cover cotton manulapition for [redacted] Should be looked in to. While on the subject of [redacted] Do you think it wise to have on the County A.S.C. Board someone who had a part in the tank fraud? [redacted] was in on the fraud.

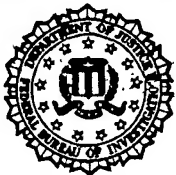
[redacted] has gotten so prosporos in the time he has been in partnership with Estes [redacted]
[redacted]
[redacted]

too numerous to mention.

"I think if you will investigate [redacted] you will locate a part of Estes holdings, Income tax evasion on the part of [redacted] loan on buisness and elevators that do not exist and many other fraudelent transactions.

"Will you please distroy this letter."

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Dallas, Texas

April 16, 1962

In Reply, Please Refer to
File No.

RE:

Texas

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During the current investigation being conducted into the activities of Billie Sol Estes, Pecos, Texas, and others, the Dallas, Texas, Office of the Federal Bureau of Investigation interviewed one [redacted] Texas, on April 11, 1962, concerning the extent of his association with Estes.

[redacted] CIT Corporation,
a major commercial finance company, [redacted]
[redacted] Dallas, Texas, Office. He

[redacted]
with CIT Corporation, he had numerous business contacts with Billie Sol Estes, and by virtue of these a close friendship grew between them. He insisted he never permitted this friendship, however, to influence his judgment in any business transactions conducted by Estes and the company. According to [redacted] he was requested from time to time to perform various personal favors for Estes, citing as examples, efforts to locate a used DC-3 airplane and special portable dictating equipment for the use of Estes. He claimed he devoted considerable personal time in just such endeavors for Estes.

In consideration of his time and effort, and as an expression of their friendship, [redacted] stated Estes made available to him, without cost, as a "loan", a 1961 Ford Thunderbird in early 1961, which car [redacted] still has possession of although placed in storage by him following publicity attendant to Estes' arrest by the FBI at Pecos, Texas, on March 29, 1962. In addition, [redacted] said Estes

24 200 / 80

"loaned" him a second automobile, a 1961 Chevrolet, subsequent to his resignation from CIT for use in his current self-employment as a financial broker. Both these vehicles, according to [redacted] are titled in Estes' name.

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[redacted] also volunteered that while still employed by CIT, and during the approximate period January, 1961, to July, 1961, he received cash from Estes on three separate occasions as "tokens of appreciation" or "presents" for past personal favors, aggregating about \$19,000.00. [redacted] stated he reported this money on his 1961 personal income tax return and treated it as "commissions", noting his income since leaving CIT has been in the form of commissions on financial transactions arranged.

In addition to the above, [redacted] informed during early 1961, he sought the advice of Estes concerning possible acreage available in Reeves County, Texas, for purpose of personal investment. Subsequently through the efforts of Estes [redacted]

[redacted] Texas, [redacted]

[redacted] said he

[redacted]
In January, 1962, [redacted] said he received a phone call from Estes who inquired as to whether [redacted]

[redacted] (Estes)

[redacted] by [redacted] Estes who paid him

[redacted] When the transaction was finalized,

[redacted] said the various instruments were drawn to show that

[redacted] Billie Sol Estes.

The above information is furnished to the Internal Revenue Service, Department of the Treasury, for any action deemed warranted.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

GENERAL INVESTIGATION DIVISION

Date 4/17/62

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Estes with three of his associates are out on bond as a result of Federal arrests for Interstate Transportation of Stolen Property. Incoming is summary of facts presented to U. S. Attorney concerning alleged "gifts" given to U. S. Department of Agriculture officials. Incoming shows FBI investigation to establish a Bribery violation is going forward. This is in accordance with Bureau instructions and Department of Justice^{W&A} advised that such an investigation is necessary and is being conducted because facts as reported to date indicate many "pay-offs" by Estes which could have been in nature of bribes. Incoming reflects interview of Agriculture [redacted] [redacted] being conducted. [redacted] is recalled by the Department of Agriculture in compliance with our request that they discontinue Department of Agriculture administrative inquiry which was agreed to by Agriculture in view of Bureau investigation of violation of criminal statutes.

FBI

Date: April 16, 1962

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, MINNEAPOLIS (87-7949) (RUC)

SUBJECT: BILLIE SOL ESTES - FUGITIVE;
 COLEMAN S. MC SPADDEN - FUGITIVE;
 HAROLD ORR - FUGITIVE;
 RUEL ALEXANDER - FUGITIVE
 ITSP - MAIL FRAUD
 CONSPIRACY
 OO - EL PASO

Handwritten notes:
 DL 41
 DL NPL 4-3-62
 DL rest 4-3-62
 DL-64
 3-30-62

Re Minneapolis radiogram to Bureau, 4/13/62; Bureau teletype, 4/13/62; and El Paso report of SA [redacted] dated 4/5/62.

Enclosed to the El Paso Office are 31 copies of seven FD-302's reflecting investigation at Minneapolis of First Acceptance Division of James Talcott Co. Inc.

Also enclosed for El Paso are 92 photostat copies of documents and correspondence selected from the files of this company.

It is suggested that the Office of Origin might consider the following lead for the New York Office:

Contact James Talcott, Inc. and obtain a copy of a check drawn by the First Acceptance Division of James Talcott, Inc. on the Northwestern National Bank payable to the Lubbock Machine and Supply Co., Inc. dated October 10, 1960 in the amount of \$22,500. Send this check to El Paso, the Office of Origin.

③ - Bureau
 2 - El Paso (Enc. 123)
 1 - Minneapolis
 RNP:dmh
 (6)

REC-91

U.S. DEPT. OF JUSTICE
 29-28704-83
 APR 16 1962

Approved: [Signature]
 Special Agent in Charge

Sent 10 9 M Per [Signature]

67 APR 26 1962

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 17 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-17-62 8-35 PM MST RAR

TO DIRECTOR, FBI, ATTN. GENERAL INVESTIGATIVE DIVISION AND SACS DALLAS
PHILADELPHIA, SAN ANTONIO AND WASHINGTON FIELD AND NEW YORK VIA WA OFFIE
FROM SAC, EL PASO 129-351/ 5 P
BILLIE SOL ESTES, ~~ET AL~~, ~~ITSP~~, MAIL FRAUD- CONSPIRACY, ~~OO~~-EL PASO.

DAILY SUMMARY

REMYTEL APRIL SIXTEEN LAST.

[REDACTED] ESTES MATTER MADE ADDITIONAL
SPECIAL AGENT
ALLEGATIONS TO SA [REDACTED] IN PECOS, TEXAS ON APRIL SEVENTEEN
NINETEEN SIXTYTWO AS FOLLOWS, ONE, A SALES TICKET DATED SEPTEMBER EIGHT
NINETEEN SIXTYONE WAS MADE OUT TO ORVILLE FREEMAN BY NEIMAN-MARCUS

[REDACTED] FOR A VICUNA SUIT FOR THREE HUNDRED NINTYFIVE DOLLARS
AND TWO PAIR ALLIGATOR SHOES FOR TWO HUNDRED FORTYFIVE DOLLARS FOR A TOTAL
OF SIX HUNDRED FORTY DOLLARS. THIS TICKET BEARS NOTATION "PAID FOR
BY ESTES WITH ONE HUNDRED DOLLAR BILLS." PHOTOSTATS OF THE BILLS WERE
ALLEGEDLY MADE AND SHOWN AROUND TEXAS PANHANDLE AREA. ONE [REDACTED]

[REDACTED] TEXAS, IS SUPPOSED TO HAVE SEEN THIS
PHOTOSTAT. TWO [REDACTED] COMMERCIAL SOLVENTS,
NEW YORK, TOGETHER WITH WIFE VISITED ESTES IN PECOS IN MARCH SIXTYTWO.

END PAGE ONE

67 APR 25 1962

RELAYED TO NY 334

REC-4

FBI

RECEIVED-TYPED 24 1962

ST-115

TWO COPIES WFO

PAGE TWO

[REDACTED] HAS INFORMATION THAT COLEMAN MCSPADDEN ONE OF THE DEFENDANTS WAS AT ONE TIME EMPLOYED BY COMERCIAL SOLVENTS, AND ALSO THAT ALLEGED COMERCIAL SOLVENTS GOT INTO SERIOUS FINANCIAL TROUBLE AND WAS "BAILED OUT" BY LADYBIRD JOHNSON. THREE, [REDACTED]

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[REDACTED] ESTES [REDACTED]

[REDACTED] ESTES IN THE PAST AND IS NOW LIVING [REDACTED]

[REDACTED] TEXAS. LAST WEEK ESTES IS ALLEGED TO HAVE [REDACTED]

[REDACTED] ESTES IN THE FARMERS COMPANY.

FOUR, ESTES ALLEGEDLY GAVE A TWIN ENGINE PLANE TO LYNDON B. JOHNSON. THIS PLANE WAS INVOLVED IN A CRASH WHICH KILLED THE PILOT AND COPILOT, BOTH JOHNSON EMPLOYEES. THE ACCIDENT OCCURRED IN THE SAN ANTONIO AREA, AND WAS INVESTIGATED BY THE FLIGHT SAFETY OFFICER ^{FEDERAL AERONAUTICS AGENCY,} ~~FAA~~, SAN ANTONIO. THE INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, ^{PENNSYLVANIA,} PENNA., HELD THE POLICY AND PAID OFF IMMEDIATELY. [REDACTED] WAS UNABLE TO FURNISH ANY DATE FOR THE PLANE CRASH OR ANY INFORMATION AS TO WHO ALLEGEDLY RECEIVED THE MONEY FROM THE INSURANCE. [REDACTED]

[REDACTED] IN ESTES MATTER ADVISED THAT REPRESENTATIVES OF LIFE MAGAZINE

END PAGE TWO

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b7C

PAGE THREE

WERE AT ESTES ENTERPRIZES OFFICES, PECOS, TEXAS TODAY AND TOOK MANY PHOTOGRAPHS AMONG WHICH WERE SHOTS INSIDE ESTES PRIVATE OFFICE OF PHOTOS OF PRESIDENT KENNEDY AND THE LATE SAM RAYBURN WHICH CONTAINED COMPLIMENTARY ENDORSEMENTS FOLLOWED BY THE ALLEGED SIGNATURES OF THE PRESIDENT AND MR. RAYBURN. THE LIFE MEN TOLD [REDACTED] THEY WERE GOING TO TRY TO TALK TO ESTES AS PART OF THEIR ASSIGNMENT. [REDACTED] ^{b6}_{b7c}

[REDACTED] FIRST NATIONAL BANK OF PECOS, ^{PECOS, TEX.} FURNISHED RECORDS HIS BANK ON TEXAS STEEL COMPANY ACCOUNT WHICH CLEARLY REFLECT DUMMY NATURE OF THAT COMPANY AND THE FACT THAT IT WAS USED AS A "CLEARING" ACCOUNT.

[REDACTED] CLAIMED HE HAD NO KNOWLEDGE OF THE EXISTENCE OF THE ACCOUNT UNTIL JUST A FEW DAYS AGO. AN INTERVIEW WITH GLEN ALEXANDER, PECOS FARMER WHO HAS HAD EXTENSIVE TRANSACTIONS WITH ESTES IS SCHEDULED FOR EIGHT THIRTY P.M. APRIL SEVENTEEN SIXTYTWO. [REDACTED]

[REDACTED] ESTES WHO IS EXPECTED TO BE COOPERATIVE IS SCHEDULED FOR APRIL EIGHTEEN SIXTYTWO. [REDACTED]

ESTES IS NOT AVAILABLE FOR INTERVIEW AND EXACT WHEREABOUTS ARE NOT KNOWN. HE IS REPORTEDLY LOOKING FOR WORK OUTSIDE OF PECOS. HIS WIFE WILL BE QUESTIONED AS TO HIS PRESENT LOCATION TOMORROW. [REDACTED]

[REDACTED] ESTES TODAY ADVISED THAT ESTES WOULD NOT BE MADE AVAILABLE FOR INTERVIEW.

END PAGE THREE

PAGE FOUR

THIS TELETYPE IS SENT TO INDICATED OFFICES FOR INFORMATION AND ANY
LEADS TO BE INDICATED BY THE BUREAU.



b7D

END AND ACK PLS

10-50 PM OK FBI WA NH FOR RELAY IS THERE 4 PGS

CORRECT WA FOUR PGS

OK

DL OK FBI DL LJH

SA OK FBI SA JWD

PH PH PH PLS ACK

THE REST PLS DIC ILL ATTEMPT TO ACK FROM PH

*Press all angles
vigorously. J. J. J.
memo to pg. 4/18/42
TWC.*

781 2751 50

111

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Rosen *Rd*

DATE: April 18, 1962

FROM : W. B. Welte *Wd*SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION OF STOLEN PROPERTY - BRIBERY

This is with reference to a press release made by the Department of Agriculture on April 17, 1962. The release stated in part, "Under Secretary Charles S. Murphy announced that the FBI had been asked to look into the activities of Ralph and of Emery E. Jacobs."

Ralph is Dr. James T. ~~Ralph~~ ^{TEXAS}, a former Assistant Secretary for Agriculture, who is now in training to be an Agricultural Attache. He has not yet been implicated in the present investigation. Emery Jacobs was a Deputy Administrator who has taken "gifts" from Estes and as a result, tendered his resignation on April 12, 1962.

The first information concerning gifts to Department of Agriculture employees, according to officials of that Department, was received on April 11, 1962. They initiated an administrative inquiry. We were advised of the facts on April 13, 1962, and on that same date instructed the Dallas Office to conduct a preliminary inquiry to determine whether a possible criminal violation within the Bureau's jurisdiction existed. On April 16, 1962, based on the results of the preliminary inquiry, we advised the Department of Justice that all criminal phases of the investigation, including possible bribery and/or conflict of interest violations would be handled by the FBI. The Department of Agriculture was notified and advised they would cease their administrative inquiry immediately. Thereafter, Agents of the Washington Field Office, as part of our investigation, were in the Department of Agriculture conducting necessary interviews and file reviews.

The press release made by the Department of Agriculture was presumably based on the fact that we did advise that we would investigate all aspects of the matter.

ACTION:

REC-72

29-28704-88

dub

17 APR 25 1962

Agents of the Washington Field Office are in the Department of Agriculture conducting interviews, reviewing files and following out leads obtained. Dallas and El Paso are conducting the necessary interviews in their respective areas. All offices have been instructed to assign sufficient man power to complete this investigation in the shortest possible time. The Department of Justice is being kept advised.

1 - Mr. DeLoach

TWC:ejf:jl

67 MAY 1 - 1962

Handwritten initials and list:
 Tolson
 Belmont
 Mohr
 Callahan
 Conrad
 DeLoach
 Evans
 Malone
 Rosen
 Sullivan
 Tavel
 Trotter
 Tele. Room
 Holmes
 Gandy

Handwritten signature:
 W. B. Welte

Handwritten notes:
 I want every angle
 pressed vigorously
 & promptly

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

UPI-18

(ESTES)

WASHINGTON--THE AGRICULTURE DEPARTMENT, DIGGING DEEPER INTO THE CASE OF TEXAS FARM MAGNATE BILLIE SOL ESTES, HAS FIRED ONE EMPLOYEE AND TURNED ITS FILES ON TWO OTHER MEN OVER TO THE JUSTICE DEPARTMENT.

THOMAS R. HUGHES, AGRICULTURE SECRETARY FREEMAN'S EXECUTIVE ASSISTANT, ANNOUNCED YESTERDAY THE DEPARTMENT HAD FIRED WILLIAM E. MORRIS FROM ITS CREDIT SERVICES DEPARTMENT BECAUSE HE FAILED TO ANSWER ORDERS TO SHOW UP FOR QUESTIONING ABOUT DEALINGS WITH ESTES.

IN FACT, HUGHES SAID, "WE STILL DON'T KNOW WHERE HE IS."

MORRIS WAS FORMERLY AN ASSISTANT TO JAMES T. RALPH, WHO WAS RELIEVED OF HIS DUTIES AS ASSISTANT AGRICULTURE SECRETARY TWO MONTHS AGO AND NAMED AGRICULTURAL ATTACHE TO THE PHILIPPINES.

UNDER SECRETARY CHARLES S. MURPHY ANNOUNCED THAT THE FBI HAD BEEN ASKED TO LOOK INTO THE ACTIVITIES OF RALPH AND OF EMERY E. JACOBS, WHO QUIT HIS JOB AS DEPUTY DIRECTOR OF THE DEPARTMENT'S AGRICULTURE STABILIZATION AND CONSERVATION SERVICE LAST WEEK.

4/17--DP934AES

Texas

ENCLOSURE

REC-72

show a card this

29-28704-88

17 APR 25 1962

WASHINGTON CAPITAL NEWS SERVICE

memo to
 Rosen 4/18/62
 TWC/eff

Tolson ✓
 Belmont ✓
 Mohr ✓
 Callahan ✓
 Conrad ✓
 DeLoach ✓
 Evans ✓
 Malone ✓
 Rosen ✓
 Sullivan ✓
 Tavel ✓
 Trotter ✓
 Tele Room ✓
 Holmes ✓
 Gandy ✓

Disquieting Story

The resignation of Emory K. Jacobs, deputy administrator of the Agriculture Stabilization and Conservation Service, coincides with disquieting rumors involving some other officials of the Department of Agriculture. Mr. Jacobs is under investigation on charges that he accepted clothing from Billie Sol Estes, Texas fertilizer magnate who is under indictment on charges of fraud. Mr. Jacobs is one of several Agriculture Department officials who have been drawn into the case.

Meanwhile investigators are following other leads. It begins to look as if a major investigation of the activities of Mr. Estes is in order. Questions have been raised about the transfer of some cotton allotments. The public will also want to know whether it is true that Mr. Estes was appointed to the Department of Agriculture's National Cotton Advisory Committee last summer over protests from the Department's personnel division.

It is fortunate that the FBI has been asked to investigate the relations between Mr. Estes and officials in the Department. The probe should be thorough. While care must be taken not to involve innocent employees and while assumptions of wrongdoing must be avoided until charges are made and proved, experience has certainly demonstrated that the only way to deal with allegations of this kind is to lay bare the full details.

See that we give
stop priority

The Washington Post and Times Herald *E-4*
 The Washington Daily News _____
 The Evening Star _____
 New York Herald Tribune _____
 New York Journal-American _____
 New York Mirror _____
 New York Daily News _____
 New York Post _____
 The New York Times _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal _____
 The National Observer _____
 Date _____

ENCLOSURE

29-28704-88
17 APR 25 1962

APR 15 1962

memo Walter L. Rosen
 4/15/62
 TWC/eif
 BGC 22

Tolson ☒
 Belmont ☒
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach ☒
 Evans ☒
 Malone ☒
 Rosen ☒
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

Archie

Citron

UPI-17

(ESTES)

AUSTIN, TEX.--ATTY. GEN. WILL WILSON SAID HE HOPES TO HEAR TODAY FROM THREE FEDERAL FARM OFFICIALS HE "INVITED" TO TESTIFY AT A COURT OF INQUIRY FRIDAY IN DALLAS ABOUT THEIR DEALINGS WITH INDICTED WEST TEXAS FERTILIZER KING BILLIE SOL ESTES.

WILSON SENT TELEGRAMS YESTERDAY TO EMERY JACOBS, DR. JAMES T. TALPH AND WILLIAM E. MORRIS.

MORRIS, AN AIDE TO THE ASSISTANT SECRETARY OF AGRICULTURE, WAS FIRED YESTERDAY. THOMAS R. HUGHES, EXECUTIVE ASSISTANT TO AGRICULTURE SECRETARY FREEMAN, SAID MORRIS WAS FIRED FOR FAILURE TO SUBMIT TO QUESTIONING ABOUT ESTES.

HUGHES SAID THE GROUND FOR DISMISSAL WAS "DISCIPLINARY" REASONS. JACOBS RESIGNED LAST WEEK FROM THE U.S. DEPARTMENT OF AGRICULTURE AFTER WITNESSES AT A PREVIOUS COURT OF INQUIRY IN DALLAS TESTIFIED HE AND ESTES WENT ON A SHOPPING TRIP IN DALLAS AND PURCHASES \$1,433.20 WORTH OF SUITS AND SHOES.

JACOBS SAID HE SPENT HIS OWN MONEY FOR THE CLOTHES. RALPH IS A FORMER USA OFFICIAL NOW UNDER TRAINING IN THE STATE DEPARTMENT OF AGRICULTURE POST IN THE PHILIPPINES.

4/17--DP928AES

29-28704-88

WASHINGTON CAPITAL NEWS SERVICE
ENCLOSURE

Mr. Tolson _____
 Mr. Belmont _____
 Mr. Mohr _____
 Mr. Callahan _____
 Mr. Conrad _____
 Mr. DeLoach _____
 Mr. Evans _____
 Mr. Malone _____
 Mr. Rosen _____
 Mr. Sullivan _____
 Mr. Tavel _____
 Mr. Trotter _____
 Tele. Room _____
 Miss Holmes _____
 Miss Gandy _____

April 18, 1962

MR. TOLSON:

Re: BILLIE SOL ESTES
 ITSP

With reference to Mr. Rosen's memorandum of this morning recommending that Vice President Johnson be personally contacted and advised of the allegation that Estes gave him an airplane, it is noted that the teletype from El Paso last night also states, [redacted] Commercial Solvents, New York together with wife, visited Estes in Pecos in March, 1962. [redacted] has information that Coleman McSpadden one of the defendants, was at one time employed by Commercial Solvents, and also that allegedly Commercial Solvents got into serious financial trouble and was 'bailed out' by Ladybird Johnson."

b6
 b7c

While this information is not on its face derogatory of Ladybird Johnson, it does tie her in financially to Commercial Solvents Company with which McSpadden was connected. McSpadden owns more than 60% of the capital stock of the Superior Manufacturing Company, Amarillo, Texas, which company handled most of the fraudulent contracts to allegedly manufacture the fertilizer tanks. This company was under the control of Estes as evidenced by the fact that Estes negotiated approximately twenty million dollars in fraudulent contracts, compared to approximately two million dollars negotiated by McSpadden.

At this time there is no investigation regarding Commercial Solvents Company and no indication of wrong doing by Ladybird Johnson. However, we recommend that the Vice President be advised of this information at the same time we talk to him on the airplane allegation.

AHB:hmm
 1 - Belmont
 1 - DeLoach
 1 - Rosen

A. H. BELMONT

REC-72

29-28704-89

22 APR 25 1962

APR 18 3 21 PM '62

RECEIVED-DIRECTOR

APR 26 1962

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 18 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-18-62 4-01 PM CST DG

TO DIRECTOR, FBI

FROM SAC OKLAHOMA CITY /87-7903/ 2

BILLIE SOL ESTES, ET AL. ITSP - MF. OO EL PASO.

RE WASHINGTON FIELD TELETYPE APRIL EIGHTEEN INSTANT.

EMERY E. JACOBS CONTACTED THIS DATE, ADVISED OF RIGHTS, PLACED UNDER OATH.

JACOBS ADVISED NOT FEELING WELL AND CURRENTLY UNDER QUOTE INVITATION END QUOTE TO APPEAR BEFORE STATE OF TEXAS COURT OF INQUIRY. INVITATION FOR APPEARANCE SIGNED BY TEXAS ATTORNEY GENERAL, WILL WILSON.

JACOBS ADVISED NATURE AND EXTENT OF INQUIRY NOT KNOWN TO HIM AND ON ADVICE OF HIS OKLAHOMA CITY ATTORNEY, LLOYD BENEFIELD, HE DID NOT DESIRE TO BE INTERVIEWED CONCERNING HIMSELF, ESTES, OR HIS KNOWLEDGE CONCERNING ANY MATTER WITH REFERENCE TO HIS FORMER EMPLOYMENT OR ASSOCIATES UNTIL AFTER HE RETURNS FROM THE TEXAS COURT OF INQUIRY WHICH IS SCHEDULED FOR APRIL TWENTY NEXT. JACOBS STATED HE DESIRED TO FURTHER DISCUSS THIS MATTER WITH HIS ATTORNEY AND WOULD CONTACT THE OKLAHOMA CITY OFFICE IMMEDIATELY AFTER RETURNING FROM TEXAS.

END PAGE ONE

67 APR 26 1962

29-28704-90
17 APR 25 1962

OC 87-7903

PAGE TWO

JACOBS ADVISED AFTER RETURNING FROM TEXAS HE EXPECTS TO GO TO WASHINGTON, D. C. TO CLOSE HIS APARTMENT AND SETTLE A FEW BUSINESS AFFAIRS BUT WOULD ADVISE THE OKLAHOMA CITY OFFICE AS TO HIS AVAILABILITY FOR INTERVIEW PRIOR TO LEAVING FOR WASHINGTON, D. C.

JACOBS STATED HE WANTED TO MAKE ONE COMMENT TO THE OKLAHOMA CITY OFFICE AGENTS, THAT BEING NEWSPAPER PUBLICITY WHICH HE HAD READ MADE IT APPEAR THE CHIEF QUESTION AT THIS POINT WAS WHETHER OR NOT ESTES HAD OR HAD ATTEMPTED TO BRING UNDUE INFLUENCE ~~TO BEAR~~ TO BEAR ON ASCS PERSONNEL. JACOBS STATED EVEN IF HE HAD BEEN INCLINED TO GIVE PREFERENTIAL TREATMENT TO ESTES SUCH WOULD NOT HAVE BEEN POSSIBLE IN VIEW OF THE CHANNELS SUCH MATTERS NECESSARILY FOLLOWED.

DALLAS, EL PASO, AND WASHINGTON FIELD ADVISED AMSA.

REPORT FOLLOWS.

~~CORR PAGE TWO, PARA TWO, LINE FOUR. DELETE TO DXX BEAR AT END~~

END ACK PLS

5-08 PM OK FBI TXX WA RAM

TNX RAM DISC

JUN 18 2 03 PM '85

FBI
REC'D-IF FILED NHIL

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 18 1962
TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

URGENT 4-18-62 11-47 AM CST EEA
TO DIRECTOR, FBI - ATTN. GENERAL INVESTIGATIVE DIV.
AND SAC, NEW ORLEANS

FROM SAC, DALLAS /58-188/ 2-P

BILLIE SOL ESTES, [REDACTED]

EMER^{b6}
b7C

E. JACOBS, AKA., "RED", [REDACTED] BRIBERY, CONFLICT OF
INTEREST.

FOR INFO NEW ORLEANS, EL PASO ORIGIN IN EXTENSIVE ITSP, MAIL
FRAUD, CONSPIRACY INVESTIGATION RE ESTES, ETAL, IN RE FINANCIAL
ACTIVITIES, COMPLAINTS FILED.

TEXAS AG WILL WILSON HAS HELD HEARINGS WHICH DISCLOSE ALLEGATIONS
ESTES HAS GIVEN EXPENSIVE CLOTHING TO SOME OF SUBJECTS, ALL WASHINGTON
USDA OFFICIALS. [REDACTED] AGRICULTURE, WITH

[REDACTED] AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

/ASCS/, [REDACTED] JACOBS DEPUTY ADMINISTRATOR, ASCS, [REDACTED]

[REDACTED] ASCS.

ESTES HAS HAD WIDESPREAD ACTIVITIES IN COTTON GROWING,
POSSIBLY STORAGE, FERTILIZER, GRAIN STORAGE, ETC. ASCS, DALLAS,
ADVISES STORAGE AND TRANSPORTATION OF COTTON AND COTTON SEED ON
NATIONWIDE BASIS UNDER SUPERVISION [REDACTED]
NEW ORLEANS COMMODITY OFFICE, ASCS.

67 APR 26 1962

PAGE TWO

NEW ORLEANS IMMEDIATELY CONTACT [REDACTED] DETERMINE NATURE
AND EXTENT THEIR DEALINGS WITH ESTES AND KNOWN COMPANIES IN WHICH
ESTES HAS FINANCIAL INTEREST, IDENTITIES OF USDA PERSONNEL, INCLUDING
WASHINGTON OFFICIALS WHO HAVE AUTHORITY WHICH PLACES THEM IN CONTACT
WITH ESTES OR WHO HAVE AUTHORITY TO STORE COTTON IN ESTES WAREHOUSES,
IF ANY. DETERMINE WHETHER ESTES HAS ENTERTAINED, GIVEN GIFTS OR
BRIBES OR OFFERED SAME TO CURRY FAVORITISM OR OTHERWISE.

b6
b7c

BUREAU INSTRUCTS IMMEDIATE ATTENTION, REPORT BY MONDAY NEXT,
LEADS BY TELETYPE TO INCLUDE BUREAU. SWORN SIGNED STATEMENTS TO
BE OBTAINED.

EL PASO AND WFO ADVISED BY MAIL.

[REDACTED]

b7D

END ACK IN ORD

WA 12-54 PM OK FBI WA JDS

NO OK FBI NO MAL

TU DISC O

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 18 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-18-62 10-58 AM CST EEA

TO DIRECTOR, FBI - ATTN. GENERAL INVESTIGATIVE DIV. AND
SACS, WFO AND EL PASO

FROM SAC, DALLAS /58-188/ 2-P

BILLIE SOL ESTES, ETAL, BRIBERY, CONFLICT OF INTEREST. RE
DALLAS TEL, APRIL SEVENTEEN LAST.

USDA, DALLAS, RECORDS SHOW [REDACTED]
RECORD HALE COUNTY GRAIN CO., PLAINVIEW, TEX., [REDACTED] PECOS,
OF PALO DURO GRAIN CO., TULIA, TEX., [REDACTED] OF
ALLIED ELEVATORS, HEREFORD, TEX., IN ALL OF WHICH CONCERNS ESTES
DETERMINED BY FINANCIAL STATEMENTS TO HAVE INTEREST.

EL PASO OFFICE INTERVIEW [REDACTED] AS TO
THEIR CONTACTS WITH USDA OFFICIALS, ANY GIFTS OR BRIBES, THEIR
KNOWLEDGE OF VISITS OF SUBJECTS TO PECOS, PURPOSE, ETC.

RE QUARTERLY ASCS DIRECTORS MEETING AND ASCS STATE OFFICE
MEETING, BOTH STATLER HILTON HOTEL, DALLAS, OCTOBER TWENTYTHREE
TWENTYFIVE LAST. USDA, DALLAS, MADE HOTEL RESERVATIONS FOR
FOLLOWING USDA PERSONNEL FROM WASHINGTON FOR DIRECTORS MEETING--

EMERY E. JACOBS. [REDACTED]

67 APR 26 1962

TWO COPIES WFO

PAGE TWO

b6
b7C

[REDACTED]

RESERVATIONS FOR FOLLOWING FROM WASHINGTON FOR STATE ASCS
MEETING-- [REDACTED]

[REDACTED]

WFO THROUGH USDA IDENTIFY POSITIONS AND POSSIBLE POSITIONS OF
INFLUENCE RE ESTES AFFAIRS, INTERVIEW LOGICAL PERSONS AS TO
ACQUAINTANCE WITH ESTES, HIS PRESENCE IN DALLAS AT TIME OF MEETING,
ASSOCIATION WITH USDA PERSONNEL, GIFTS OR BRIBES TO THEM OR KNOWLEDGE
OF GIFTS OR BRIBES TO OTHERS. NOTE [REDACTED] WAS AT MEETING AS
RELATED IN RETEL, BUT DID NOT STAY OVERNIGHT, WHICH IS ALSO PROBABLE
AS TO [REDACTED] AND POSSIBLY OTHER USDA PERSONNEL.

[REDACTED]

b7D

END ACK IN ORD

WA 12-06 PM OK FBI WA JDS

EP OK FBI EP JH

TU DISC O

*Get everyone
for 3pm 4/18
JWC*

F B I

Date: 4/18/62

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI (29-)

FROM: SAC, WFO (87-8242) (P)

BILLIE SOL ESTES,
et al
FBI; MAIL FRAUD
(OO: EL PASO)

On 4/18/62 HAROLD M. LOWEREE, Chief, Division of Investigations, U. S. Department of Agriculture (USDA), advised that he had been contacted by an Investigator O'DONNELL (phonetic) of the McClellan Committee, believed to be DONALD O'DONNELL, at which time O'DONNELL stated he planned to contact LOWEREE later on instant date, and requested that LOWEREE make available to him pertinent signed statements furnished to him in instant case. O'DONNELL also indicated he planned to conduct investigation at USDA on instant date. LOWEREE advised Agent that before he could make available signed statements furnished to him and other material that he would have to have this approved by his superiors. This refers to USDA, not FBI statements.

3-Bureau
1-WFO
AJS:sal
(4)

AIRTEL

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

67 APR 26 1962

UNITED STATES GOVERNMENT

*Memorandum*TO : Mr. Rosen

DATE: April 18, 1962

FROM : W. B. Welte

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY - BRIBERY

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

This is to request that captioned file be maintained in Room 5732. This is necessary on a temporary basis due to the importance of subjects and the General Investigative Division needs ready access to file at all times.

RECOMMENDATION:

That this be routed to Files and Communications Division.

Rosen

1 - Files and Communications Division

TWC:imc
(6)U.S. DEPT. OF JUSTICE
FBI

APR 21 1962

REC-12

29-28704-97
4 APR 20 1962SIX RECORDS
4150109
67 APR 26 1962

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 18 1962

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

URGENT 4-18-62 7-18 PM MST RAR

TO DIRECTOR, FBI /29-28704/, ATTN. GENERAL INVESTIGATIVE DIVISION AND
SACS DALLAS, NEW YORK, PHILADELPHIA, AND SAN ANTONIO. WA TO RELAY
TO NEW YORK.

FROM SAC, EL PASO /29-351/

BILLIE SOL ESTES ^{AND OTHERS Interstate Transportation of Stolen Property} ET AL, ITSP, MAIL FRAUD, CONSPIRACY. ^{Office of Origin} ~~OO~~ EL PASO.

DAILY SUMMARY.

RE MY TELETYPE
REMYTEL APRIL SEVENTEEN LAST.

RE TELETYPE
RETEL STATED ONE [REDACTED] TEXAS WAS SUPPOSED TO HAVE
SEEN PHOTOSTAT OF NEIMAN-MARCUS SALES TICKET TO ORVILLE FREEMAN. IT
WAS ASCERTAINED TODAY THIS PERSON-S NAME SHOULD BE CORRECTED TO [REDACTED]

[REDACTED] ALSO ADVISED THIS DATE THAT INFORMATION SUPPLIED
APRIL SEVENTEEN LAST CONCERNING MC SPADDEN-S HAVING BEEN FORMERLY
EMPLOYED BY COMERCIAL SOLVENTS, CANNOT BE VERIFIED THROUGH SOURCES
AVAILABLE TO HIM AND THEREFORE MIGHT NOT BE CORRECT. ²⁹⁻²⁸⁷⁰⁴⁻⁹⁸

[REDACTED] ESTES, STATES SHE HAD
ON NUMEROUS OCCASIONS TYPED LETTERS OF CREDIT CONCERNING FARMERS-TO
FINANCE COMPANIES ON LETTERHEAD STATIONERY OF FIVE DIFFERENT COMPANIES

67-APR 20 1962
RELAYED TO 7/9

PAGE TWO

IN WHICH ESTES HAD AN INTEREST. SHE STATED THAT THE INFORMATION TO BE PLACED IN THESE LETTERS WAS FURNISHED TO HER BY OTHER PERSONNEL EMPLOYED BY ESTES AND THAT SHE HAD BEEN INSTRUCTED BY AN UNRECALLED EMPLOYEE TO USE DIFFERENT TYPEWRITERS IN PREPARING THESE LETTERS.

[REDACTED] FORMER PILOT FOR ESTES, STATES HE DELIVERED ON NUMEROUS OCCASIONS LOAN DOCUMENTS TO VARIOUS PURCHASERS FOR THEIR SIGNATURE. IN ADDITION, HE STATES THAT IN ^{SEPTEMBER} SEPT., NINETEEN SIXTYONE, HE FLEW [REDACTED] ^{DEPARTMENT} OF THE DEPT. OF AGRICULTURE, FROM DALLAS TO PECOS IN ESTES-S PLANE AND THEN FLEW [REDACTED] ESTES ON TO EL PASO, WHERE THEY ATTENDED A COTTON FESTIVAL. HE ADVISED FURTHER THAT IN MARCH, NINETEEN SIXTYTWO, HE FLEW EMERY JACOBS FROM PLAINVIEW TO PECOS AND THEREAFTER TO DALLAS. HE STATED THAT THESE WERE THE ONLY ~~DEPT.~~ OF AGRICULTURE EMPLOYEES WHO WERE PASSENGERS WITH HIM DURING THE PERIOD OF HIS EMPLOYMENT BY ESTES, WHICH WAS APRIL, NINETEEN SIXTYONE THROUGH MARCH, NINETEEN SIXTYTWO.

b6
b7c

GLEN ALEXANDER, PRUCHASER OF TANKS, NOW RESIDING ABILENE, TEXAS, INTERVIEWED AT PECOS APRIL SEVENTEEN LAST AND HE OUTLINED THAT HE WAS
END PAGE TWO.

PAGE THREE

INDEBTED TO ESTES AT THE TIME ESTES ASKED HIM TO PURCHASE TANKS AND THEREAFTER LEASE SAME BACK TO ESTES. ALEXANDER SAID THAT HE WAS IN NO WAY RELATED TO SUBJECT RUEL ALEXANDER. HE SAID THAT HE WAS A VERY CLOSE PERSONAL FRIEND OF ESTES, BOTH THROUGH THEIR CHURCH AND BUSINESSES. HE SAID THAT HE SIGNED FOURTEEN DIFFERENT CONTRACTS FOR THE PURCHASE OF AMMONIA TANKS WHICH NUMBERED ABOUT SEVEN HUNDRED. HE SAID THAT HE HAS NO KNOWLEDGE OF ANY OF HIS TRANSACTIONS BEING FORGED. ALSO STATED THAT HAROLD ORR WAS USUALLY PRESENT WHEN HE, ALEXANDER, SIGNED THE LOAN DOCUMENTS.

WITH REGARD TO AIRPLANE CRASH INVOLVING TWIN ENGINE PLANE,

b6
b7c

STATED THAT THE ONLY CRASH HE CAN REMEMBER WHEREIN TWO PILOTS OF LYNDON JOHNSON WERE KILLED AS AT JOHNSON CITY, TEXAS, WHERE THE PILOTS WERE FERRYING JOHNSON-S CONVAIR. HE SAID THAT HE IS UNAWARE OF WHETHER JOHNSON OWNED THIS PLANE OR WAS MERELY LEASING IT AND HAD NO KNOWLEDGE OF ESTES-S BEING INVOLVED IN MAKING THIS PLANE AVAILABLE TO JOHNSON.

END PAGE THREE

PAG E FOUR

b7D

END AND ACK PLS

WA 9-32 PM OK FBI WA WS R RLEAY

DL OK FBI DL TW

SA OK FBI SA AAC

PH OK FBI PH ERA

TU ALL DIRU

SEP 10 1964

SEP 10 1964

REC'D
FBI
SEP 10 1964

Memorandum

TO : Mr. Belmont

DATE: 4/19/62

FROM : C. A. Evans

SUBJECT:

BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY - BRIBERY

W. H. C. [initials]
Belmont [initials]
Mohr [initials]
Callahan [initials]
Conrad [initials]
DeLoach [initials]
Evans [initials]
Malone [initials]
Rosen [initials]
Sullivan [initials]
Tavel [initials]
Trotter [initials]
Tele. Room [initials]
Holmes [initials]
Gandy [initials]

Previous memoranda have set forth information concerning the allegation Secretary of Agriculture Orville Freeman had received a vicuna suit and two pairs of alligator shoes from Estes. This information was furnished to the Attorney General and to Mr. Freeman. Mr. Freeman stated it was a lie. The Attorney General called this afternoon concerning the Freeman angle of this matter and stated that Secretary Freeman was very much concerned. He inquired as to whether this allegation was widely known. The Attorney General stated that he, of course, was aware the Bureau had made no dissemination of this matter but wondered whether we knew the extent of it having been "voiced" in Texas.

The Attorney General was advised that we had only furnished the allegation to him and to Mr. Freeman and had conducted no further inquiry concerning this specific allegation. The Attorney General stated he wondered whether we could discreetly ascertain the extent of the circulation of this false allegation, particularly whether it had been "voiced" by our informant to other people in Texas.

The source of this allegation is [redacted] Texas, who b7D [redacted] Estes. During our extensive inquiries in the Estes matter, no additional information concerning the Freeman allegation was received from any other person than [redacted]. The SAC in El Paso is of the opinion that this allegation is not widely known. We are continuing our interview of [redacted] on the basis of information which he continues to furnish in the Estes case.

ACTION:

REC-72

17 APR 25 1962

If approved, the Attorney General will be advised that the allegation concerning Secretary Freeman was received from [redacted] Texas; that we have conducted no inquiries concerning this allegation and during our investigation concerning the Estes case no additional information concerning this matter has been received. The Attorney General will be advised that he will be immediately furnished with any additional information coming to our attention in this connection.

1 - Mr. Mohr

1 - Mr. DeLoach

1 - Mr. Rosen

CHS:maw (8) maw

Memorandum to Belmont
4/19/62
CHS:ajm

67 APR 26 1962

Yes I tell him that
making inquiries the
story will be inevitable spread

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: April 19, 1962

FROM : A. Rosen

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY - BRIBERY

Tolson	
Belmont	
Mohr	
Callahan	
Conrad	
DeLoach	
Evans	
Malone	
Rosen	
Sullivan	
Tavel	
Trotter	
Tele. Room	
Holmes	
Gandy	

There is attached hereto a memorandum to the Attorney General advising him of the results of the interviews with Vice President Johnson's office and Secretary Orville Freeman.

The Vice President's office, as well as Secretary Freeman, has taken a very firm position in denying any knowledge of the allegations which have been brought to our attention.

We have no documentation to support the purchase of the Johnson plane and no checks have been made to verify any of the information concerning the Johnson matter.

Freeman's denial has not been thoroughly verified at the Neiman-Marcus Store; however, information has come to our attention, having been volunteered in the course of our inquiries at the Neiman-Marcus Store, which would support Secretary Freeman's denial. Neiman-Marcus has no record of any sales to Freeman nor has anyone identified Freeman as having been in the Neiman-Marcus Store for any purchases.

ACTION

There is attached hereto a memorandum to the Attorney General, advising the Attorney General of the results of our interviews with Vice President Johnson's office and with Secretary Freeman. In view of the strong denials, it is believed that the decision to make any further inquiries for the purpose of definitely resolving this matter, should be made by the Attorney General.

Obviously, any inquiries which we make without such a request and any inference in our memorandum to the Attorney General would indicate the FBI did not place full faith and credence in the denials of Johnson and Freeman.

Enclosure sent 4-19-62 E.B.I. REC-72 29-128704 100

1 - Mr. DeLoach

1 - Mr. Evans

1 - Mr. Mohr

AR:ige

(9) 67 APR 26 1962

17 APR 25 1962

Memorandum to Mr. Belmont
Re: BILLIE SOL ESTES

Any inquiries which will be made will most likely result in possible unfavorable publicity.

I believe in this instance we should not take any affirmative action nor run out any logical leads without specific instructions from the Attorney General.

If a contrary view is taken to the above recommended action, logical leads would, of course, include a thorough examination of any records which Johnson's office possesses or which can be obtained to support Johnson's denial and to fully explain the purchase of the plane. A check would have to be made with Commercial Solvents Corporation to ascertain whether Mrs. Johnson did have any interest, indirectly or otherwise. In this connection it is pointed out that Estes' business partner did have an interest in Commercial Solvents and, therefore, the Commercial Solvents Corporation could be drawn into the Estes' inquiry.

With reference to Freeman, an exhaustive check would have to be made of all records at Neiman-Marcus and for all possible witnesses. In addition, trip records would have to be checked to determine whether Freeman was in the area and inquiries would have to be made to determine whether Estes visited Freeman at any time and the specific occasions at which this took place.

The informant in this matter is [redacted] Texas, who

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[redacted] arrest and indictment of Estes and his associates, after our investigation had verified his allegations. [redacted] Estes [redacted]

[redacted] Texas. He has expressed his personal animosity in the past concerning Estes and his operations. It is conceivable that he is now being furnished information concerning Estes' operations by persons who share [redacted] views. We are continuing our interview with [redacted] on the basis of information which he continues to furnish to us and the information which he is supplying is being reduced to a signed statement form.

A memorandum to the Attorney General is attached, which should be forwarded if approved.

R JRM V. [signature] SK
- 2 -

Memorandum

TO : Mr. Belmont

FROM : C. A. Evans

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY - BRIBERY

DATE: April 19, 1962

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Autocaut

My memorandum earlier today advised of the request of the Attorney General as to whether other persons in Texas had knowledge of the allegation regarding Secretary of Agriculture Orville Freeman.

In my absence Number One Man Stanley called the Attorney General's office to furnish him with additional information regarding this matter. The Attorney General was out of the office but upon being contacted by his office, requested that the information be furnished to his secretary who would pass it on to the Attorney General at home this evening.

The Attorney General's office was advised that the allegation concerning Secretary Freeman was received from [redacted] Texas; that we had conducted no investigation concerning this allegation and that during our investigation in the Estes matter no additional information concerning the Freeman allegation had been received. Stanley specifically pointed out that should the Bureau make any inquiries concerning this matter it would undoubtedly spread like wild fire.

The Attorney General's office was also advised that we had just received a call from our Dallas Office that the Neiman-Marcus store in Dallas had received a long-distance telephone call from [redacted] Scripps-Howard Newspaper in Washington, D. C., indicating he had information that the FBI was going over Neiman-Marcus records for a sales slip to Orville Freeman; that Neiman-Marcus told [redacted] that all their records had been subpoenaed by the State Attorney General's Office of Texas and they could give [redacted] no further information; that if [redacted] wanted more information he would have to contact their [redacted] does contact [redacted] will tell him the FBI has been making no inquiries regarding any sales slips for Mr. Freeman.

- Enclosure sent 4-20-62*
- 1 - Mr. Mohr
 - 1 - Mr. Rosen
 - 1 - Mr. DeLoach
 - 1 - Mr. Welte

CHS:djm

(8) 67 APR 26 1962

17 APR 25 1962

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Memorandum to Mr. Belmont
RE: BILLIE SOL ESTES

The Attorney General's office was specifically advised that we had conducted no investigation concerning the Freeman allegation and were, of course, making no comment regarding this. It was further noted that the above call might indicate, however, that someone might be doing some talking possibly in Freeman's office. The Attorney General's secretary remarked that it would appear this was a good possibility.

ACTION:

No investigation is being conducted concerning the Freeman allegation and the Attorney General's office was so advised. They were also advised that should any further information concerning this matter come to our attention, it would, of course, be brought to the Attorney General's attention.

At the conclusion of the conversation with the Attorney General's secretary, Mr. Andrew F. Oehmann, Executive Assistant to the Attorney General, stated that he would see that this information was passed on to the Attorney General immediately.

Memo to A.G. attached
QHS
Q
K
V.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 19 1962

TELETYPE

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

URGENT 4-19-62 8-20 PM CST JWD

TO. DIRECTOR, FBI, AND SAC-S EL PASO /29-351/ AND DALLAS

FROM. SAC, SAN ANTONIO /87-5025/

BILLIE SOL ESTES, ^{AND OTHERS Interstate Transportation of Stolen Property} ET AL, ITSP, MAIL FRAUD DASH CONSPIRACY. OO EL PASO

RE REPORT OF SA [REDACTED] DATED APRIL TWELVE LAST.

ON APRIL NINETEEN INSTANT [REDACTED]

ATTORNEY GENERAL, STATE OF TEXAS, AUSTIN, TEXAS, INFORMED THAT TO DATE FOUR HEARINGS HAVE BEEN HELD IN CONNECTION WITH POSSIBLE VIOLATIONS OF ANTITRUST LAWS BY ESTES AND HIS ASSOCIATES. A HEARING IS BEING HELD INSTANT DATE IN LUBBOCK, TEXAS, AND THE LAST SCHEDULED HEARING IS TO BE HELD IN DALLAS BEFORE JUSTICE OF THE PEACE BYRD, DALLAS COUNTY COURTHOUSE ON APRIL TWENTY NEXT. NO REPORTS BEING PREPARED BY ATTORNEY GENERAL-S DEPARTMENT, HOWEVER [REDACTED] ADVISED THAT TRANSCRIPTS OF PROCEEDINGS HEARINGS WILL SOON BE AVAILABLE AND FBI LIBERTY TO REVIEW.

[REDACTED] ASSISTANT ATTORNEY GENERAL, IS SUPERVISING THE INVESTIGATION UNDER THE DIRECT SUPERVISION OF WILL WILSON, ATTORNEY GENERAL OF TEXAS WHO IS A CANDIDATE FOR GOVERNOR OF TEXAS. [REDACTED]

END PAGE ONE
67 APR 26 1962

MR. BELMONT FOR THE DIRECTOR

APR 20 1962

PAGE TWO

STATED ANY INFORMATION DEVELOPED BY ATTORNEY GENERAL OF TEXAS CONCERNING ANY FEDERAL VIOLATIONS WILL BE FURNISHED TO THE FBI AND [REDACTED] INDICATED HE WOULD APPRECIATE ANY INFORMATION DEVELOPED BY BUREAU INDICATING STATE VIOLATIONS. SAN ANTONIO OFFICE OF OPINION BUREAU AND BUREAU OFFICES CONSIDER WILSON-S INTEREST ONLY POLITICAL AND RECOMMEND THAT LIAISON WITH WILSON AND HIS STAFF NOT BE TOO CLOSE.

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ON APRIL NINETEEN INSTANT MR. NEWT HUMPHREYS, AGENT IN CHARGE, INTELLIGENCE SECTION, TEXAS DEPARTMENT OF PUBLIC SAFETY, AUSTIN, ADVISED DPS REQUESTED TO CONDUCT INVESTIGATION BY DISTRICT ATTORNEYS IN AREA WHERE ESTES AND HIS ASSOCIATES OPERATED. DISTRICT ATTORNEY BACHMANN IN THE PANHANDLE AREA OF TEXAS, ACCORDING TO HUMPHREY, HAS INDICATED A DESIRE TO PROSECUTE. HUMPHREYS STATED HE HAS ASSIGNED [REDACTED] AGENT, INTELLIGENCE SECTION, DPS, AMARILLO, [REDACTED] AGENT, INTELLIGENCE SECTION, EL PASO, TO CONDUCT INVESTIGATION CONCERNING ESTES AND HIS ASSOCIATES RELATING TO FORGERIES AND DISPOSAL OF MORTGAGED PROPERTY. HUMPHREYS STATED DPS IS NOT ASSISTING ATTORNEY

END PAGE TWO

PAGE THREE

GENERAL WILSON AND IS NOT CONDUCTING ANY ANTITRUST INVESTIGATION. MR.

HUMPHREYS SUGGESTED DALLAS AND EL PASO MAINTAIN LIAISON WITH [REDACTED]

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[REDACTED] HUMPHREYS DESIRES TO BE OF ANY ASSISTANCE TO BUREAU IN
FURNISHING INFORMATION RE INSTANT MATTER. STATED NO REPORT BEING
RECEIVED FROM AGENTS [REDACTED] AND MORE DETAILED INFORMATION
AVAILABLE TO BUREAU BY PERSONAL CONTACT WITH [REDACTED] NO
FURTHER ACTION BEING TAKEN BY SAN ANTONIO OFFICE UNLESS ATTORNEY
GENERAL-S OFFICE IN AUSTIN CONTACTS SAN ANTONIO OFFICE AND DESIRES TO
FURNISH INFORMATION RELATING TO POSSIBLE FEDERAL VIOLATIONS OR
SPECIFIC INFORMATION IS DESIRED BY THE EL PASO OR DALLAS OFFICE. IN
THE EVENT DALLAS DESIRES ANY SPECIFIC INFORMATION DEVELOPED BY
ATTORNEY GENERAL TO DATE CONCERNING INSTANT MATTER SUGGEST [REDACTED]
BE CONTACTED APRIL TWENTY NEXT.

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[REDACTED]
RUC.

CORRECTION PAGE THREE LINE TWELVE LAST PORTION SHD READ

"SUGGEST [REDACTED] BE CONTACTED ETC."

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END AND ACK IN ORDER PLS

WA 9-30 PM OK FBI WA MLL

DL OK FBI DL FLL

HO OK FBI HO VBR

TU DISC

REC-11
FBI

CC-MR. ROSEN

UNITED STATES GOVERNMENT

*Memorandum*TO : Mr. Rosen *Rosen*

DATE: April 19, 1962

FROM : Mr. Welte *W*SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY - BRIBERY

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

In connection with the teletype from the El Paso Office dated 4-17-62 setting forth information to the effect that Vice President Johnson and Secretary of Agriculture Freeman were recipients of gifts from Billie Sol Estes and that the information was submitted to receiving offices for information only with leads to be indicated by the Bureau, I contacted the following offices for the express purpose of assuring that no investigation would be conducted by these offices:

ASAC Kyle G. Clark, Dallas
 ASAC Murdo J. Smith, Philadelphia
 ASAC W. T. Brooking, Jr., San Antonio
 [redacted] Washington Field
 ASAC Bryant, New York
 SAC Crosby, El Paso

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All were instructed to conduct no investigation into the allegations concerning Johnson and Freeman in absence of specific directions from the Bureau.

WBW:fjh *W*
(5)FEDERAL BUREAU OF INVESTIGATION
REC-4129-28704-105
17 APR 25 1962

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APR 19 1962

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